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SOAH DOCKET NO. 473-19-6862
PUC DOCKET NO. 49737

APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
CERTIFICATE OF CONVENIENCE
AND NECESSITY AUTHORIZATION
AND RELATED RELIEF FOR THE
ACQUISITION OF WIND
GENERATION FACILITIES

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BEFORE THE STATE OFFICE

PUBLIC UTILITY COMMISSION
FILING CLERK

OF

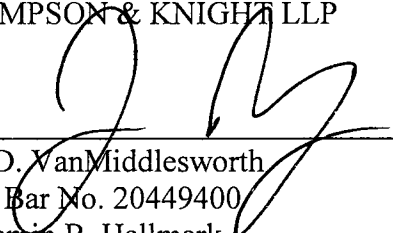
ADMINISTRATIVE HEARINGS

**TEXAS INDUSTRIAL ENERGY CONSUMERS' SECOND SUPPLEMENTAL
RESPONSE TO SOUTHWESTERN ELECTRIC POWER COMPANY'S
FIRST REQUEST FOR INFORMATION**

Texas Industrial Energy Consumers ("TIEC") files the following second supplemental response to the First Requests for Information ("RFI") to TIEC filed by Southwestern Electric Power Company ("SWEPCO"). TIEC's second supplemental response to specific questions are set forth as follows, in the order of the questions asked. Pursuant to 16 T.A.C. § 22.144(c)(2)(F), these supplemental responses may be treated as if they were filed under oath.

Respectfully submitted,

THOMPSON & KNIGHT LLP

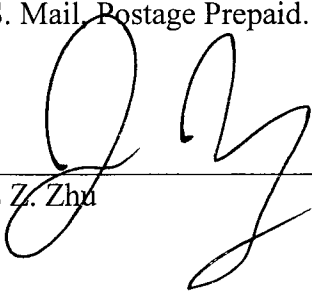


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**ATTORNEYS FOR TEXAS INDUSTRIAL
ENERGY CONSUMERS**

CERTIFICATE OF SERVICE

I, James Z. Zhu, Attorney for TIEC, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 18th day of February, 2020 by facsimile, electronic mail and/or first Class, U.S. Mail, Postage Prepaid.



James Z. Zhu

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SWEPCO-TIEC 1-10: Please identify all utilities known to Mr. Pollock or Mr. Griffey that use NYMEX futures in their system planning forecasts in any fashion and an explanation of how each identified utility uses them in its forecasts.

RESPONSE:

See the response to SWEPCO-TIEC 1-9 above. Additionally, Mr. Pollock is aware that Entergy uses NYMEX futures in their system planning forecasts for at least the near term. In its CCN application for the Montgomery County Power Station, Entergy's gas price forecast was described as follows:

Entergy's gas price forecast methodology is based on the use of the NYMEX futures for the first year of the forecast period and use of the average of fundamental-based independent third-party consultant forecasts for years 3-20, followed by escalation based on constant real dollars. For years 2-3, Entergy interpolates between the NYMEX and fundamental forecast. This methodology is consistent with the methodology used by other utilities for planning and evaluation purposes and also relies heavily on third-party independent forecasts, which eliminates any forecast bias. (Application of Entergy Texas, Inc. For Approval of a Certificate of Convenience and Necessity Regarding Construction of Montgomery County Power Station, Docket No. 46416, Testimony of Wayne J. Oliver As Independent Monitor at 46.)

SUPPLEMENTAL RESPONSE (FEBRUARY 14, 2020):

Mr. Pollock recently became aware that the South Carolina Department of Administration, in a February 11, 2020 report evaluating various options for the future management of Santee Cooper, used a long-term natural gas price forecast that uses NYMEX market forward prices from 2020-2029 and then gradually transitions those market prices to the EIA Reference Case forecast by 2039. The discussion of the long-term natural gas price forecast can be found on pages 38 to 39 of the report, which is publicly available at the following link:

<https://admin.sc.gov/sites/default/files/Report%20of%20the%20DOA%20Regarding%20the%20South%20Carolina%20Public%20Service%20Utility.pdf>.

SECOND SUPPLEMENTAL RESPONSE (FEBRUARY 18, 2020):

Mr. Griffey is aware that in 2017 Santee Cooper used NYMEX futures prices to project natural gas prices when making a determination on whether to cancel the V.C. Summer Nuclear Plant. Mr. Griffey is also aware that Vistra, NRG, and Calpine regularly use NYMEX futures to evaluate the economics of their operations and in presentations to investors and regulators.

Preparer: Jeffry Pollock; Charles Griffey

Sponsor: Jeffry Pollock; Charles Griffey